

AMENDED IN ASSEMBLY APRIL 10, 2003
AMENDED IN ASSEMBLY MARCH 25, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 998

**Introduced by Assembly Member ~~Lowenthal~~ Members
*Lowenthal and Koretz***

February 20, 2003

An act to add Article 9.1 (commencing with Section 41998) to Chapter 3 of Part 4 of Division 26 of the Health and Safety Code, relating to air quality, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 998, as amended, Lowenthal. Air quality: Nontoxic Dry Cleaning Incentive Program.

Existing law designates the State Air Resources Board as the state agency charged with coordinating efforts to attain and maintain ambient air quality standards.

This bill would require the state board to impose a \$3 per-gallon fee on every manufacturer of perchloroethylene in the state, and *on* every person that imports perchloroethylene into the state *for use in dry cleaning*, and to deposit the revenues generated by that fee in the Nontoxic Dry Cleaning Incentive Trust Account, which would be established in the Air Pollution Control Fund by the bill. The bill would increase that fee by \$1 each year until 2013, inclusive. The bill would authorize moneys deposited in the account to be continuously appropriated, without regard to fiscal years, for expenditure by the state board to fund a grant program and demonstration program, and would

require those programs to be developed by the state board. The grant program would provide \$10,000 grants to any eligible dry cleaner in the state that utilizes perchloroethylene in its operations to aid its transition to dry cleaning systems determined by the state board to be nontoxic and nonsmog-forming. The bill would require the state board to ensure that 50% of the grant moneys are awarded in a manner that directly benefits low-income communities and communities of color that are disproportionately impacted by air pollution. The bill would require the state board, commencing January 1, 2007, and every 3 years thereafter, to provide a report to the Legislature evaluating the effectiveness of the grant program. The bill would require the demonstration program to be funded 50% by ~~local~~ matching funds.

Vote: majority. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) State and federal scientific health agencies have determined
4 that perchloroethylene is either a probable, possible, or known
5 carcinogen.

6 (b) Occupational health studies have found elevated rates of
7 lung, cervical, bladder, and other cancers in dry cleaning workers.

8 (c) Laboratory studies have found increased numbers of
9 cancerous tumor in animals exposed to perchloroethylene.

10 SEC. 2. Article 9.1 (commencing with Section 41998) is
11 added to Chapter 3 of Part 4 of Division 26 of the Health and Safety
12 Code, to read:

13

14 Article 9.1. Nontoxic Dry Cleaning Incentive Program

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16 41998. (a) (1) The state board shall impose a three dollar
17 (\$3.00) per gallon fee on every manufacturer of perchlorethylene
18 in the state and *on* every person that imports perchloroethylene
19 into the state *for use in dry cleaning*.

20 (2) The amount of the fee imposed pursuant to paragraph (1)
21 shall increase by one dollar (\$1.00) per gallon on January 1, 2005,
22 and shall increase by one dollar (\$1.00) each subsequent year, until
23 January 1, 2013, inclusive.



1 (b) Moneys generated by the fee imposed pursuant to
2 subdivision (a) shall be deposited in the Nontoxic Dry Cleaning
3 Incentive Trust Account, which is hereby established in the Air
4 Pollution Control Fund.

5 (c) Moneys deposited in the Nontoxic Dry Cleaning Incentive
6 Trust Account are, notwithstanding Section 13340 of the
7 Government Code, continuously appropriated, without regard to
8 fiscal years, to the state board to fund the grant program described
9 in Section 41999 and to fund the demonstration project described
10 in subdivision (f) of Section 41999. The state board shall allocate,
11 from the moneys derived from the imposition of the fee pursuant
12 to this section, moneys that it determines are sufficient to fund the
13 demonstration project described in subdivision (f) of Section
14 41999, and shall utilize the remaining moneys to fund the grant
15 program.

16 (d) Not more than 5 percent of the moneys in the account,
17 calculated annually, may be utilized by the state board to
18 administer both the grant and demonstration program.

19 41999. (a) The state board shall develop and establish a grant
20 program that provides incentives for dry cleaners in the state that
21 utilize perchloroethylene in their operations to transition to
22 utilizing dry cleaning systems determined by the state board to be
23 nontoxic and nonsmog-forming.

24 (b) To be eligible for a grant pursuant to this section, applicants
25 shall completely replace their perchloroethylene-based dry
26 cleaning system with a system that the state board has determined
27 to be nontoxic and nonsmog-forming. The state board shall
28 determine the eligibility of grant recipients.

29 (c) The state board shall make grants available in the amount
30 of ten thousand dollars (\$10,000) to any eligible dry cleaning
31 operation for the purchase of a professional dry cleaning system
32 that uses a nontoxic and nonsmog-forming process, as determined
33 by the state board.

34 (d) The state board shall ensure that at least 50 percent of the
35 grant moneys provided pursuant to this section are awarded in a
36 manner that directly benefits low-income communities and
37 communities of color that are disproportionately impacted by air
38 pollution.

1 (e) Commencing January 1, 2007, and every three years
2 thereafter, the state board shall provide a report to the Legislature
3 evaluating effectiveness of the grant program.

4 (f) The state board shall establish a demonstration program to
5 showcase professional nontoxic and nonsmog forming dry
6 cleaning technologies in the state. The demonstration program
7 ~~shall require that a local agency, including, but not limited to, an~~
8 ~~air pollution control district, air quality management district, or~~
9 ~~public utility district, provide 50 percent matching funds to cover~~
10 ~~the costs of the demonstration program.~~ *shall require 50 percent*
11 *matching funds to cover the costs of the demonstration program.*
12 *Any entity may contribute monies as matching funds, including,*
13 *but not limited to, a state or federal agency, an air pollution control*
14 *district or air quality management district, a public utility district,*
15 *or a non-profit entity.*

